

GROUP INSURANCE COMMISSION

The Executive Office for Administration and Finance
Commonwealth of Massachusetts



**STRATEGIC PLAN-IN-BRIEF
2013-2015**

Issued February 14, 2013

Dolores L. Mitchell | Executive Director

MESSAGE FROM THE EXECUTIVE DIRECTOR

The GIC's mission, as stated throughout this document, is to provide high-quality, affordable health insurance and other benefits to eligible state employees, retirees and other entities that participate with the Group Insurance Commission. In order to attract and keep high quality public employees, government must provide for their health insurance needs, sharing a reasonable portion of the costs with those employees. To have a healthy workforce, government must provide health benefits that work, and must encourage its employees to actively engage in choosing health services wisely, and to be mindful of their own roles in keeping healthy. In order to be a prudent purchaser of health care goods and services, government must use its knowledge leverage to push the health care market to provide better care at lower costs.

Fulfilling the GIC's mission has become more and more challenging, as the health care market struggles with a fundamental shift in its basic structure – moving from a small 19th century supply-driven cottage industry to a 21st century model, demand driven, where both practitioners and purchasers are increasingly dependent on technology and data. The role of the GIC is necessarily a part of the changing role of the demand side of that fundamental shift – demanding the

products and services it believes to offer the best value to its enrollees, and using data and technology to drive its decisions. At the same time, it must maintain good communications with the Commonwealth's employees and retirees (who are its customers), and with the providers and health plans who provide and manage those benefits. The old adage that you can't serve two masters simply does not apply in this situation.

Our strategic goals in this context must serve not two, but three masters: 1) the administration, who must balance a host of state programs within the confines of limited revenues; 2) the consumers, our enrollees whose healthcare needs have been entrusted to a significant degree to us; and 3) the taxpayers, who pay for most of what we provide. In the pages to follow, you will read what goals we have set for ourselves to fulfill those responsibilities, what actions we plan to take to achieve our goals, and how we plan to measure our success.

Dolores L. Mitchell
Executive Director

This document was developed pursuant to Executive Order 540 which calls on state government to develop and publish strategic plans and institute performance management. As an agency affiliated with the Executive Office for Administration and Finance (A&F), the Group Insurance Commission's 2013-2015 Strategic Plan aligns and supports the overarching goals set forth in the A&F Strategic Plan.

**Please send feedback regarding
this plan to
gicpublicinfo@state.ma.us**

MISSION, VISION AND POLICY CONTEXT

OVERVIEW

The Group Insurance Commission (GIC), a quasi-independent agency affiliated with the Executive Office for Administration and Finance (A&F), is responsible for providing high-value health insurance and other benefits to state and certain authority employees, retirees, and their survivors and dependents, as well as health benefits to participating municipalities. The GIC is governed by a board, composed of delegates from A&F, the Division of Insurance, union organizations, public citizens, a health economist, a retiree representative and more recently, municipal officials. The agency works with vendors selected through a competitive bidding process to offer cost-effective services through careful plan design and rigorous ongoing management. The GIC covers some 400,000 lives with expenditures of approximately \$2.1 billion.

The GIC offers the following benefit programs:

- A diverse array of health insurance options;
- Term life insurance;
- Long Term Disability (LTD) insurance;

- Dental/vision coverage for managers, legislators, legislative staff and certain Executive Branch employees;
- Dental coverage for retirees;
- Discount vision program for retirees;
- Health Care Spending Account (HCSA);
- Dependent Care Assistance Program (DCAP); and
- WellMASS (a pilot wellness program for certain employees and early retirees).

ACHIEVEMENTS

The GIC has frequently been recognized for its commitment to reducing the cost of health care without sacrificing quality, as well as for the innovative ways it works to contain costs for both the Commonwealth and those covered by GIC insurance. Several of the GIC's accomplishments are highlighted below:

- The GIC worked with a broad coalition of state and public members to draft the initial legislation allowing for municipalities to participate in GIC health plans (later enacted in Chapter 67 of the Acts of 2007). The GIC then worked on subsequent legislation that allows for an alternate method to join the Commission's health plans or for

MISSION

To provide affordable, high-quality benefits as the largest employer purchaser of health insurance in the Commonwealth

VISION

To use our position as the largest employer purchaser of health insurance in the Commonwealth to drive improvements in the health care system, while keeping care affordable for our members

municipalities to adopt a comparable local reform (later enacted in Chapter 69 of the Acts of 2011).

- In the summer of 2003, the GIC embarked on a multi-year effort, called the Clinical Performance Improvement (CPI) Initiative. The Initiative seeks to promote transparency, while maintaining provider choice, by using modest co-pay differentials as incentives to encourage members to utilize more cost-efficient and high-quality providers. It is now one of the most innovative programs of its kind in the country with continual requests for information regarding the program.
- The GIC was recognized with the 2008 New England Employee Benefits Council (NEEBC) Best Practices Award for communications to members about the Clinical Performance Improvement Initiative.
- In the spring of 2011, the GIC conducted a mandatory re-enrollment of approximately 78,000 active state employees, a feat that had never been done. Employees who enrolled in a limited network plan were given a

three month premium waiver. The re-enrollment was a success with over 99% of employees re-enrolling and over 30% enrolling in limited network plans, saving the Commonwealth approximately \$20 million.

- The GIC Re-enrollment Team received the 2012 Manuel Carballo Governor's Award for Excellence in Public Service. This award is the highest honor for Executive Department employees and is given to those whose leadership, creativity and innovation have resulted in improvements and cost-savings to their agency. The team was honored with this award for all the effort they put forth during the re-enrollment initiative described above.
- The GIC received the 2011 NEEBC Best Practices Award for its innovative approach in not only re-enrolling 78,000 state employees, but also offering a three month premium incentive for those who enrolled in a limited network plan.
- In the fall of 2012, the GIC released a RFP for the re-procurement of carrier coverage beginning on July 1, 2013. This procurement, for all its health

plans, strives to accelerate the progress towards payment reform by using the GIC's size and expertise as a purchaser to encourage changes in the market. The proposal asks health plans to commit to operational milestones and financial targets, or lose part of their administration fee. The GIC's expectation is that the plans will work with providers to manage costs within these budgets. The GIC plans to be an innovative force in reducing health care costs and a leader in implementing Chapter 224.

- The GIC's Executive Director was recognized with the 2009 Heroes in Health Care Boston Visiting Nurses Association Award for advancing health care quality, safety, and affordability. The award is given to those who have played a profound role in shaping the community.
- The GIC's Executive Director is Board president of the National Committee for Quality Assurance (NCQA), a member of the governing board of the Massachusetts Health Care Connector Authority and was recently elected to the Board of Directors of the National Quality Forum (NQF).

CHALLENGES

The health care industry is facing a period of critical challenges; employers cannot sustain the rising cost of insuring employees while out-of-pocket costs continue to rise for members. The GIC is committed to making health care more affordable for both the Commonwealth and those insured through the GIC. As a key player in the administration-wide efforts to implement both the federal and state health care reform laws, the GIC is working to change the delivery system, payment models and to contain costs, all while maintaining quality and access.

A potential challenge in the area of cost control may be the reluctance of providers to better coordinate services and assume the risk associated with global payments or risk-based contracts. Health plans may also experience some anxiety as risk previously held by the GIC is shifted their way, with the requirement that they meet budget targets and involve providers in sharing both performance and financial penalties.

Another challenge involves the GIC's commitment to offering limited network plans for its members. The benefits of

these plans mirror those of the GIC's wider network plans; however, the provider network is not as broad. Limited network plans include access to high quality hospitals, while allowing for lower premium costs. While the GIC works to increase enrollment in limited network plans, the challenge is to create networks that deliver high quality at lower prices and maximize appropriate use of community hospitals. Emphasis must also be placed on communicating the benefits of these plans to members, so that they understand the services and benefits of the more limited provider networks.

A third set of challenges relates to the Clinical Performance Improvement (CPI) Initiative, the GIC's program that tiers physicians in certain specialties based on quality and cost-efficiency. Now one of the most innovative programs of its kind in the country, the CPI Initiative uses a database of over 126 million de-identified claims from its insurance plans to measure quality and cost-efficiency and to place physicians into one of three tiers. Challenges include the cost of developing a web-based reporting system for more efficient reporting, the inherent complexities in obtaining and working with claims data acquired from multiple

sources and the continual development of new quality measures.

Finally, the GIC established a pilot wellness program, called WellMASS as a result of Chapter 288 of the Acts of 2010. Certain state employees and early retirees are eligible for this program, which offers online health assessments, onsite programming and health coaching. While the GIC is an advocate of workplace wellness, future funding to expand upon its existing program or to develop new wellness initiatives is uncertain. Tracking return on investment of wellness programs, which will influence funding, is complex. Health outcome data is not readily available, may not be completely accurate or attributable to wellness programming and can also be costly to obtain.

While the GIC is faced with a number of challenges, it views the current environment as an opportunity to pursue innovation and change. The GIC is confident that with its strong staff it can continue to deliver high quality, high value health insurance and other benefits.

STRATEGIC GOALS

SUPPORTING THE SECRETARIAT

A&F has four strategic goals: Better Finance, Better Health Care, Better Performance and Better Government. To advance the work of A&F, the GIC has created a set of goals that will help advance the mission and vision of the agency as well as support A&F in achieving the Administration's goals.

The Commission's mission is to deliver high quality, affordable health care to those enrolled in GIC health plans, as well interact with customers (enrollees, health plans and municipalities) regarding current issues in health care, both at the local and national levels. The GIC's strategic goals are progressive, addressing the concerns and needs of the GIC as well as the greater health care community. The Commission's

goals and corresponding actions set the GIC down the path of payment reform. In achieving these goals, the GIC will demonstrate that affordable health care is possible and will help Massachusetts in creating a model healthcare payment reform.

THE GROUP INSURANCE COMMISSION: EIGHT STRATEGIC GOALS

Incorporate payment reform into the procurement process

Empower consumers to make informed decisions when selecting health care providers

Expand WellMASS employee wellness programs

Improve customer service for enrollees

Improve relationship management with health plans and providers

Ensure all GIC regulations are clear, comprehensive and timely

Enhance existing technology to improve efficiency, streamline internal processes and enhance the customer experience

Place emphasis in procurement on fiscal constraint

ACTIONS

The GIC will take the actions set forth below to deliver its strategic goals.

GOALS	ACTIONS
A&F Better Health Care: Reduce the cost of health care spending while maintaining access to and improving the quality of care	
Incorporate payment reform into the procurement process	• Procure health plans for FY2014 that support the Governor's and A&F's strategic vision for health care reform
	• Issue RFP and select vendors who will work with the GIC on an ongoing basis to further payment reform goals
	• Develop benefit package and incorporate benefit changes required by payment reform laws
	• Require health plans to work with providers to create Integrated Risk-Bearing Organizations (IRBOs)
	• Seek commission approval of benefit changes
	• Reach out to the wider public, including legislators, press and opinion leaders, to explain the goals and value of the procurement
	• Work with the Division of Insurance to facilitate provider accountability
	• Promote IRBOs, bundled payments and/or global payments
	• Set milestones for the number of GIC members covered in IRBOs
	• Create financial milestones for health plans to meet through FY2018, placing health plans on a budget with penalties for failure to meet targets and gain-sharing for achieving savings above targets
Empower consumers to make informed decisions when selecting health care providers	• Further develop the Clinical Performance Improvement Initiative; select vendor for continued implementation; create better tools to enhance transparency and usability for doctors and hospitals being evaluated; rollout year 9 of the Initiative with updated cost-efficiency software
	• Test the feasibility of tiering specialists, medical homes and integrated primary care physician groups without sacrificing meaningful transparency about physician performance
	• Include information on cost issues in agency publications to gain support for payment reform measures e.g., promote limited networks, American Board of Internal Medicine's "Choosing Wisely" campaign, Leapfrog hospital safety measures, ACA measures, Partnership for Patients, etc.
Expand WellMASS employee wellness programs	• Seek funding to expand pilot program to include higher education, retirees and municipalities
	• Identify prevalence of certain risk factors and address those through programming
	• Build on current wellness offerings from health plans and certain agencies

GOALS	ACTIONS
A&F Better Government: Build trust in state government by improving transparency, accountability and responsiveness	
Improve customer service for enrollees	<ul style="list-style-type: none"> • Provide and develop new tools to inform, educate, describe and promote benefits and choices • Enhance website information; emphasize new delivery system changes pursuant to Chapter 224 • Improve turnaround time for responses to complaints and questions • Given funding, survey customers using online survey tools to assess satisfaction and needs of the GIC's population
Improve relationship management with health plans and providers	<ul style="list-style-type: none"> • Clarify mutual roles and responsibilities with health plans and providers • Work closely with plans to ensure the transition to new payment and delivery systems is smooth • Meet with plans and provider organizations more frequently
Ensure all GIC regulations are clear, comprehensive and timely	<ul style="list-style-type: none"> • Revise regulations, conduct public hearings and present regulations for a vote before the commission pursuant to Chapter 224 and other statutory mandates • Revise regulations to ensure clarity and comprehensiveness as applicable to enrollees, health plans and municipalities
A&F Better Performance: Provide state government services and programs more effectively, efficiently and equitably	
Enhance existing technology to improve efficiency, streamline internal processes and enhance the customer experience	<ul style="list-style-type: none"> • Continue update of MAGIC, GIC's member eligibility and enrollment system, to improve customer and staff experience and provide faster access to data and more frequent recording of benefits, eligibility and status changes • Execute phase one of the MAGIC system update, which will allow enrollees to look up their own coverage in the GIC's online system • Implement phase two of the MAGIC system update, which will enable enrollees to make benefit selections and other changes online • Roll out combined billing for enrollees on leave, simplifying the monthly billing process so that enrollees receive one bill for all of their benefits • Launch new on-line correspondence system to track and follow-up on correspondence in a timely manner
A&F Better Finance: Finance vital government services and programs in a fiscally sustainable manner	
Place emphasis in procurement on fiscal constraint	<ul style="list-style-type: none"> • Reward bidders who respond to fiscal concerns with creative ideas and aggressive negotiations with providers • Require new payment models that deliver cost savings with evidence of maintaining, or improving quality • Reward bundled payment, medical home, global payment and IRBO developments via contracts • Control budget with little or no growth (except for additional enrollees) as stated in health plan targets

OUTCOME MEASURES

The GIC will utilize the high-level outcome measures presented in the table below to assess success in achieving its strategic goals.

GOAL	MEASURE	DEFINITION/NOTE	DATA SOURCE	FREQ.
Incorporate payment reform into the procurement process	% of GIC members covered in IRBOs	An Integrated Risk-Bearing Organization (IRBO) is an alternative payment model where providers bear some financial risk for the population they serve and are responsible for coordinating members' care.	Health plan	Yearly
	% of claims paid under alternative payment methods (not fee-for-service)	This measure encourages plans to pay providers in ways that target quality, not quantity of care, such as bundled payments or global payments.	Health plan	Yearly
Empower consumers to make informed decisions when selecting health care providers	# of enrollees who choose providers with highest quality cost efficiency and/or quality scores	For the CPI Initiative, members who chose providers with the highest cost-efficiency and quality scores have lower out-of-pocket costs.	Health plan	Yearly
	# of physicians scored through CPII	This measure is based on the number of physicians in MA for whom there is enough data to score them accurately and place them into one of the three tiers.	Health plan	Yearly
	# of specialties tiered through CPII	This measure tracks the number of physician specialties (e.g., cardiologists) tiered through the CPI Initiative.	GIC	Yearly
	% of GIC members enrolled in limited network products	This measures the number of members in limited network plans. These plans have the same benefits as larger plans, but have fewer providers; their premiums are approximately 20% lower.	GIC	Yearly

GOAL	MEASURE	DEFINITION/NOTE	DATA SOURCE	FREQ.
	# of practices seeking medical home status through accreditation	A medical home that is accredited follows certain standards, such as coordinated care and IT infrastructure that make the medical home model successful.	Health plan	Yearly
	# number of GIC enrollees in medical homes	The GIC's goal is to increase the number of enrollees to 10,000.	GIC	Yearly
Expand WellMASS employee wellness programs	% of eligible GIC enrollees participating in WellMASS	The GIC's goal is to double the FY2013 participation rate in FY2014	GIC	Yearly
	# of participants at wellness events	The GIC will continually work to increase the number of people participating in the wellness program.	GIC	
	% of participants who reduced their number of risk factors based on health assessment results	This measure tracks the number of people who are able to reduce their high-risk factors, according to the results of the annual health assessment.	StayWell	Yearly
Improve customer service for enrollees	# of hits on GIC's website	This measure ensures that people are using the website to gain information about the GIC and its programs.	GIC	Yearly
	% of survey respondents reporting a positive customer service experience	The GIC will solicit feedback from customers via satisfaction surveys and other feedback tools to ensure that we are meeting the needs of its members.	Survey Monkey or other survey tool	TBD
	# of complaints	The GIC will measure complaints by plan and type to determine whether there are trending issues.	GIC	Quarterly
	Average time to respond to a complaint	The GIC's goal is to resolve all complaints within 30 days.	GIC	Quarterly
Improve relationship management with health plans	% of new contractors GIC meets with (within 30 days of awarding contract) to review	Meetings may occur directly with GIC staff or via GIC consultants.	GIC	Yearly

GOAL	MEASURE	DEFINITION/NOTE	DATA SOURCE	FREQ.
and providers	expectations			
	# of health plans met with twice a year	The GIC's goal is to meet with all health plans twice a year.	GIC	Yearly
	# of yearly meetings between GIC and provider organizations	Meetings may be with representatives of providers, such as the MA Medical Society and MA Hospital Association, or with providers directly.	GIC	Yearly
Enhance existing technology to improve efficiency, streamline internal processes and enhance the customer experience	% of survey respondents reporting a positive experience with new technology systems	GIC will survey health plans, GIC coordinators and internal users to assess satisfaction with new systems.	GIC	TBD
Place emphasis in procurement on fiscal constraint	# of plans that adhere to financial goals as enumerated in procurement docs	This measure assesses whether the plans have followed the plan spending targets of no more than 2% increases in FY14 and FY15, flat in FY16 and -2% in FY 17 and FY18, as laid out in the health plan procurement GICPND1301.	Health plan	Yearly